

Privatization II IQC

Semi-Annual Progress Report

October, 1 2005 – March 31, 2006

Chemonics International, Inc.

Submitted to: U.S. Agency for International Development

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Consortium Subcontractors : Casals & Associates, Center for International Private Enterprise (CIPE), East West Management Institute, Grant Thornton, Institute for Public Private Partnerships (IP3), SEGURA Consulting, T5, The Services Group (TSG), White & Case

Additional Subcontractors: IRIS Center at the University of Maryland, The Services Group (TSG), Crimson Capital, IFDC

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SECTION I

Introduction

This semi-annual report for the Support for Economic Growth and Institutional Reform (SEGIR) Privatization II IQC covers the period October 1, 2005 through March 30, 2006. During this period, the Chemonics Consortium conducted the following activities:

- During this six-month period, Chemonics did not respond to any inquiries as a prime contractor; the company decided not to bid on the Egypt Utilities Assessment RFP. One inquiry was made as subcontractor to IP3/SEGURA.
- Chemonics is currently in the process of preparing a proposal in response to the Egypt Information and Communication Technology (ICT)/Tourism RFP due May 7, 2006.
- In compliance with the Knowledge Management/Knowledge Sharing (KM/KS) contract requirement, Chemonics completed and responded to a KM/KS Rapid Survey from USAID's EGAT/Economic Growth office on February 10, 2006.

Overall, we are pleased with the performance and collaborative spirit of the consortium.

SECTION II

Core Contract Activities

A. Consortium Management

A1. IQC Management

Under the SEGIR Privatization IQC II, Chemonics International Inc. is the principal contact with USAID on contract issues; coordinates and prepares responses for services; divides the work among consortium subcontractors; and ensures effective task order management, quality control, and report preparation. To date, contract implementation has been collaborative and effective, primarily because of our consortium's responsiveness to requests for proposals and assistance provided by the G/EGAD/EM project officer. Consortium members are pleased with the transparency and fairness of Chemonics' IQC management systems, which ensure all consortium members are aware of activities, opportunities, and positions available for recruitment.

Chemonics' management team for the IQC has changed since the last annual report and is now managed by Roberto Toso, Director, Raquel Fontanes, Manager, and Margueritte Harlow, Associate. We also received a modification to our contract giving Chemonics authorization for grants under contract and add an additional labor category.

A2. Subcontractor Coordination

Chemonics has nine subcontractors under this IQC. These subcontractors are The Services Group (TSG), the Institute for Public-Private Partnerships (IP3), Casals & Associates, Inc., Center for International Private Enterprise (CIPE), East West Management Institute, Segura Consulting, Grant Thornton, T5/Sintra, and White & Case LLP. Our current task orders under the IQC also work with additional subcontractors including the IRIS Center at the University of Maryland, The Services Group (TSG), Crimson Capital, and IFDC.

A3. Information Dissemination

Chemonics continuously updates and disseminates an IQC fact sheet for use by Chemonics' home office and field teams, consortium members, and USAID/Washington and mission staff. Chemonics has been in contact with its subcontractors to introduce the new management team and provide them with an update on IQC activities including the release of two new RFPs in Egypt. As required by the contract, we have also been preparing monthly task order progress and financial reports on active task orders. We regularly monitor task order proposals, activities, and deliverables to ensure prompt, high-quality responses to requests for services and information. Chemonics recently responded in a timely manner to the KM/KS Rapid Survey from USAID's EGAT/Economic Growth office.

B. USAID SEGIR Privatization Contractor Coordination

USAID did not hold contractor coordination meetings during this reporting period. Periodic communications were held with the contracting officer's technical representative (COTR) regarding upcoming task orders and to advise on key issues as required.

C. Accomplishments During Reporting Period

Chemonics participated on the RFP calling for the services of Internationally Recruited Financial Controllers and Senior Advisors for selected enterprises in Liberia as a subcontractor to SEGURA and is waiting to hear the status of the award. Chemonics decided not to bid on the Egypt Utilities Assessment RFP, but is currently working to respond to the Egypt/ICT tourism RFP.

SECTION III

Active Task Orders

A. TO No. 1: Kosovo Cluster and Business Support Project

A1. Background

Over the past four years, the donor community has been heavily engaged in developing Kosovo's private sector. Since the late 1990s, many emerging businesses have suffered from the lack of necessary capital, technical expertise, and a reliable regulatory environment to ensure long-term business planning and investment.

Today, significant factors contributing to poor economic performance include the low level of investment in, and resultant low productivity of, domestic industries; the unsolved political status of Kosovo that inhibits investments; and the fact that good investment opportunities are not clearly visible. The return on productive activities in Kosovo is also inhibited by weak government assistance to business, poor enforcement of regulations that would facilitate business, unreliable electricity supply, competition in certain products from subsidized foreign suppliers, inexperienced and untrained managers of enterprises that are newly formed or restructured, high tariffs on inputs, and incomplete credit markets.

This task order was sole-sourced to the Chemonics Consortium based on its extensive previous work in providing business support to Kosovo. Its effective dates are from September 30, 2004 to September 29, 2008.

A2. Key Project Objectives

USAID's Strategic Objective SO1.3 is Accelerated Private Sector Growth in Kosovo. Subsidiary objectives are increased competitiveness of targeted clusters and an improved business operating environment. Major results expected are increased employment and a reduced reliance on imported materials.

The KCBS Program focuses on three economic clusters: livestock, which embraces dairy, meat, animal feed and eggs; fruit and vegetables; and construction materials. These clusters were chosen in large part because there is a significant domestic demand for the products of these clusters and because USAID already had some successful experience in working with farms and firms in these clusters and have identified interest and potential leadership in the clusters.

A3. Key Project Activities

In the first half of the year, KCBS met approximately 65% of its goals. The dairy industry continued to build and act on the extensive advice and suggestions received in Year 1 from expert short-term advisors. Milk quality improved and milk quantity increased. Improvements in soil preparation, selection of the proper hybrid/variety, planting methods, fertilizer used, crop protection, and harvesting all contributed to increased yields and lower costs of animal feed. Further progress on the export of lambs to Bosnia now depends on action by the Bosnian government. KCBS is not hopeful for opening the Macedonian lamb market this year. Goals set for the poultry industry were adversely affected by the need to switch attention to combating Asian Influenza. Forward purchase contracts were negotiated between vegetable growers and

processors and significant sales were contracted in Albania. Activities in the construction materials cluster were set back by the slow privatization process of large manufacturers, and by a lack of government will to implement regulations regarding standards and licensing, particularly in road construction and the quarry industry. Major achievements in improving the business operating environment were: conducting the Private Public Dialog; organizing a Finance Fair attended by over 500 business people; developing strategic plans for trade associations, which should assure their financial sustainability and fund implementation of plans; and developing private business service providers and their association management capabilities to the extent that they have formed their own Business Consultants Council.

See **Annex B** for a supplemental list of achieved project results for this reporting period.

A4. Follow-on Activities

The second half of the year, embracing the spring and summer months, will see more activity and achievements. More STTAs will be scheduled. KCBS has plans to set up several model farm activity operations to be used as demonstration centers. Planting and harvesting plans will come to fruition and recommendations made for post-harvest management will be implemented. Pressure will be exerted at all levels of government to improve procurement, construction, and inspection practices in road construction. KCBS will continue to mentor associations to make their boards uphold fiduciary responsibility and will assist them in devising fee-for-service programs.

See **Annex B** for a supplemental list of new activities for the next six months.

B. TO No. 2: Bosnia Streamlining Permits and Inspection Regimes Activity

B1. Background

The political and economic evolution initiated following the signing of the Dayton Peace Agreement in 1995 has yet to bring broad-based economic development, and Bosnia and Herzegovina (BiH) continues to need international assistance in its ongoing reform efforts. The broad-based economic development depends heavily on a healthy SME sector that can produce goods and services for export and domestic consumption, provide jobs, and finance a reasonable level of government services. Currently in BiH there are more than 120 laws which apply to starting a business, obtaining permits, and conducting inspections, and entrepreneurs must endure numerous legal, regulatory, and administrative barriers to complete a permitting process.

The Bosnia SPIRA project is aimed at reducing these barriers to establishing SMEs and conducting business in BiH through well-defined, targeted assistance. SPIRA will provide expert technical assistance, hardware and software, collaborative involvement of public and private sector stakeholders, and sufficient training to ensure effective implementation.

SPIRA will also assist BiH in complying with the EU Charter for Small Enterprises by addressing its key lines of action to ensure the best possible environment for small businesses including cheaper and faster start-up; better legislation and regulation; improved communication between public authorities and the small business sector; and development of stronger, more effective representation of small enterprises' interests at all levels.

The period of contract is September 1, 2005 to August 31, 2009 and the total amount of the contract is \$12,445,043.00.

B2. Key Project Objectives

This task order contributes to SO 1.3 “Accelerated growth and development of private enterprises” and IR 1.3.3 “SMEs Effectively Compete in a Market Economy.” Project objectives include streamlining permitting procedures to start and operate businesses, and initiate and assist in the implementation of legal reform; streamlining construction permitting procedures, amending legislation, and implementing them; network municipalities and other government institutions and developing an inspection management system; streamlining inspections complementing other donors’ efforts; special considerations in achieving the objectives; and, collaborating with USAID and other donors.

B3. Key Project Activities

The contract was signed in September 2005. The COP and other key staff were on board in early October 2005 and a Start-up Workshop was held in late October 2005. A Workplan was submitted to the CTO on November 4, 2005. In December 2005 the key members of SPIRA’s operational staff, along with the CTO, traveled to Zagreb and Belgrade to meet local officials and identify regulatory reforms that had been adopted there that improved the business community. In January 2006 the SPIRA team completed its 80 page (re-mapping) report on the regulatory barriers to business and construction start-up processes and identified BiH inspection services in need of statutory reform. In February 2006, SPIRA held a conference on regulatory reforms affecting the business environment. At the conference, SPIRA announced the results of its remap report, identified possible improvements, and held a breakout session on cooperation and collaboration within the international community. In March 2006, SPIRA launched business and construction reform working groups in both the Federation of Bosnia and Bosnia’s Republika Srpska (RS). Additionally in March 2006, SPIRA prepared and submitted proposed policy documents to the RS government. These proposed policy documents led to the revision of laws governing the verification of minimum technical requirements for new businesses and resulted in a government decree requiring public agencies to “roadmap,” through official publication, all administrative requirements associated with business and construction permitting.

B4. Follow-on Activities

As SPIRA goes forward, it plans to partner with The Foreign Investment Advisory Service (FIAS) to generate a regulatory guillotine project to improve the business environment in the RS. Planning for the project, which is expressly supported by the project CTO and the Director of USAID/BA’s ERO, is well underway. The existing working groups will continue their work and are expected, particularly in the RS, to propose substantial revisions to regulatory policy. The Inspection Working Group for the RS will launch in April, and SPIRA’s support to the RS Inspection Administration will move forward with initial planning in support of a computerized Inspection Management System (IMS).

The project is on track and, with regard to obtaining legislative reforms that improve regulatory constraints on business start-ups, ahead of schedule.

SECTION IV

Inquiries

A. In-Process and Pending Proposals

Egypt Information and Communication Technology (ICT)/Tourism Activity

This request was received on April 5, 2006 and Chemonics is in the process of preparing its technical proposal for submission on May 7, 2006.

B. Informal Inquiries

There were no informal inquiries during this quarter.

C. Inquiry Report

A Semi-Annual Inquiry Report is attached as **Annex A**.

SECTION V

List of Deliverables submitted to Development Experience Clearinghouse (DEC)

1.
Kosovo cluster and business support project : report on Kosovo poultry sector (31 Jan 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADC-701
http://www.dec.org/pdf_docs/PNADC701.pdf (974 KB)
2.
Kosovo cluster and business support project : communications strategy (31 Mar 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADC-717
http://www.dec.org/pdf_docs/PNADC717.pdf (564 KB)
3.
Kosovo cluster and business support project : performance based management system (31 Mar 2005)
Chemonics International Inc.-s International Inc.
AFP-I-00
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADC-718
http://www.dec.org/pdf_docs/PNADC718.pdf (1,018 KB)
4.
Kosovo cluster and business support project : report on assistance to Kosovo Association of Milk Producers (31 Mar 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADC-715
http://www.dec.org/pdf_docs/PNADC715.pdf (6,583 KB)
5.
Kosovo cluster and business support project : association development (8 Apr 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADC-716
http://www.dec.org/pdf_docs/PNADC716.pdf (840 KB)
6.
Kosovo cluster and business support project : constraint study (18 Apr 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADC-719
http://www.dec.org/pdf_docs/PNADC719.pdf (1,486 KB)
- 7.

Kosovo cluster and business support project : improving nutritional assistance to Kosovo Association of Milk Producers (15 May 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-889
http://www.dec.org/pdf_docs/PNADD889.pdf (1,850 KB)

8.

Kosovo cluster and business support project : dairy cow reproductive health and management (31 May 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-891
http://www.dec.org/pdf_docs/PNADD891.pdf (410 KB)

9.

Promoting feed crop production to support the livestock sector in Kosovo (31 May 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-838
http://www.dec.org/pdf_docs/PNADD838.pdf (126 KB)

10.

Kosovo cluster and business support project : forages and dairy cattle (6 Jun 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-892
http://www.dec.org/pdf_docs/PNADD892.pdf (4,315 KB)

11.

Wood processing in Kosovo : secondary manufacturing, sawmilling and dry kilns (10 Jun 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-835
http://www.dec.org/pdf_docs/0nternational Inc.
AFP-I-00PNADD835.pdf (553 KB)

12.

Kosovo cluster and business support project : sales and marketing support activities (13 Jul 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-893
http://www.dec.org/pdf_docs/PNADD893.pdf (6,858 KB)

13.

Processing equipment for fruit and vegetables (19 Jul 2005)
Chemonics International Inc.
AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-836
http://www.dec.org/pdf_docs/PNADD836.pdf (725 KB)

14.

Global development alliance assessment and roadmap (29 Jul 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-837

http://www.dec.org/pdf_docs/PNADD837.pdf (178 KB)

15.

Kososo cluster and business support project : Kosovo at the crossroads -- the private-public dialog on the future of Kosovo's business environment (Aug 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-828

http://www.dec.org/pdf_docs/PNADD828.pdf (399 KB)

16.

Kosovo cluster and business support project : association development (4 Aug 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-890

http://www.dec.org/pdf_docs/PNADD890.pdf (407 KB)

17.

Kosovo cluster and business support project : an analysis of the value added tax on the dairy industry in Kosovo (9 Aug 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-887

http://www.dec.org/pdf_docs/PNADD887.pdf (1,280 KB)

18.

Kosovo cluster and business support project : building alliances between Kosovo Association of Milk Producers and Serbian farmers (9 Aug 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADD-888

http://www.dec.org/pdf_docs/PNADD888.pdf (95 KB)

19.

Poultry disease identification and prevention program and diagnostic laboratory (15 Aug 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-181

http://www.dec.org/pdf_docs/PNADE181.pdf (152 KB)

20.

Raw milk quality : veterinary and animal health services (26 Aug 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-182

http://www.dec.org/pdf_docs/PNADE182.pdf (4,008 KB)

21.

Dairy processors' Association development (15 Sep 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-184

http://www.dec.org/pdf_docs/PNADE184.pdf (394 KB)

22.

Improving good manufacturing practices (GMP) within the Kosovo dairy industry (15 Sep 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-183

http://www.dec.org/pdf_docs/PNADE183.pdf (470 KB)

23.

Feed and egg quality control : recommendations to the Kosovo poultry industry to improve feed formulation, purchasing and milling in order to lower feed costs, thus making the industry more competitive (25 Sep 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-299

http://www.dec.org/pdf_docs/PNADE299.pdf (468 KB)

24.

Kosovo's meat market potential : an evaluation of the Kosovo meat industry and recommendations for improved slaughtering and processing practices and equipment (26 Sep 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-533

http://www.dec.org/pdf_docs/PNADE533.pdf (444 KB)

25.

Artificial insemination study (30 Sep 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-292

http://www.dec.org/pdf_docs/PNADE292.pdf (178 KB)

26.

Privatization II IQC : annual progress report, October 1, 2004-September 30, 2005 (2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 Proj. No.: 9364212 DOCID/Order No.: PD-ACG-018

http://www.dec.org/pdf_docs/PDACG018.pdf (486 KB)

27.

Equipment systems and technology support for the Kosovo food processing industry (14 Oct 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-841

http://www.dec.org/pdf_docs/PNADE841.pdf (1,954 KB)

28.

Contract farming : assessment for Kosovo (18 Oct 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-828

http://www.dec.org/pdf_docs/PNADE828.pdf (716 KB)

29.

Development of the sheep industry in Kosovo : an assessment of the Kosovo sheep industry and recommendations for a proposed strategy and tactics for the industry to enter the export market (18 Oct 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-826

http://www.dec.org/pdf_docs/PNADE826.pdf (1,133 KB)

30.

Wood processing report (21 Oct 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADE-840

http://www.dec.org/pdf_docs/PNADE840.pdf (417 KB)

31.

Decorative and dimensional stone : development potential in Kosovo (15 Nov 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-187

http://www.dec.org/pdf_docs/PNADF187.pdf (2,554 KB)

32.

Sales and marketing support activities (18 Nov 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-183

http://www.dec.org/pdf_docs/PNADF183.pdf (426 KB)

33.

Fruit packing and quality control (28 Nov 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-182

http://www.dec.org/pdf_docs/PNADF182.pdf (5,482 KB)

34.

Increasing access to finance in Kosovo (28 Nov 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-120

http://www.dec.org/pdf_docs/PNADF120.pdf (271 KB)

35.

Implementing recommendations in the dairy cluster (5 Dec 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-181

http://www.dec.org/pdf_docs/PNADF181.pdf (502 KB)

36.

New cheese manufacturing processes for dairies in Kosovo (6 Dec 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-185

http://www.dec.org/pdf_docs/PNADF185.pdf (492 KB)

37.

Continuing education on mastitis testing and treatment (9 Dec 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-186

http://www.dec.org/pdf_docs/PNADF186.pdf (6,721 KB)

38.

Recommendations for improvements in the performance based management system (PBMS) (12 Dec 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-189

http://www.dec.org/pdf_docs/PNADF189.pdf (478 KB)

39.

Implementing tests for poultry diseases (15 Dec 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-122

http://www.dec.org/pdf_docs/PNADF122.pdf (156 KB)

40.

Public relations support for a private-public dialog (16 Dec 2005)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-121

http://www.dec.org/pdf_docs/PNADF121.pdf (175 KB)

41.

Dairy records management (5 Jan 2006)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-184

http://www.dec.org/pdf_docs/PNADF184.pdf (931 KB)

42.

Engineered wood flooring (5 Jan 2006)

Chemonics International Inc.

AFP-I-00-03-00030-00 DOCID/Order No.: PN-ADF-188

http://www.dec.org/pdf_docs/PNADF188.pdf (262 KB)

**The following is a list of documents submitted to the DEC from April 25 – 28, 2006 that will be available on the DEC some time the week of Monday, May 1, 2006.

Documents Submitted		
Short Title	File Name	Date Submitted
Kosovo KCBS Implementing Vegetable Growing Contracts	Implementing_Vegetable_Growing_Contracts_14Apr06.pdf	04-28-2006
Kosovo KCBS Calf and Heifer Management	Calf_and_Heifer_Management_14Feb06.pdf	04-28-2006
Sheep Health Management in Kosovo	Sheep_Health_Management_in_Kosovo_05Jan06.pdf	04-28-2006
Kosovo Food Safety Standards HACCP & EUREPGAP	Food_Safety_Standards_HACCP_and_EUREPGAP_28Mar06.pdf	04-28-2006
Kosovo Heifer Replacement Program Overview	Heifer_Replacement_Program_Overview_Aug05.pdf	04-28-2006
Improving Nutritional Assistance, Dairy Nutrition: Final Trip Report March 5 – April 29, 2005	Improving_Nutritional_Assistance_Dairy_Nutrition_Final_Trip_Report_March_5_to_April_29,_2005.pdf	04-28-2006
Development of the Lamb Export Market in Kosovo	Development_of_the_Lamb_Export_Market_in_Kosovo_2Feb06.pdf	04-28-2006
Finance Fair and Access to Finance Activities	Finance_Fair_and_Access_to_Finance_Activities_11Nov05.pdf	04-28-2006
Improving Dairy Plant Operations in Kosovo	Improving_Dairy_Plant_Operations_in_Kosovo_21Apr06.pdf	04-28-2006
Kosovo KCBS Evaluation of Kosovo Quarries, Hot-Mix Asphalt and Road Construction	Evaluation_of_Kosovo_Quarries_Hot_Mix_Asphalt_and_Road_Construction_Feb06.pdf	04-25-2006

ANNEX A: Semi-Annual Inquiry Report

PRIVATIZATION II IQC	Semi-Annual	Inquiry	Report	
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Date Issued	Date Submitted	TO Title	Region/Country	Amount	Est. Amts	Bid Y/N	Won/ Lost	Bid Winner
3/2/2006	4/24/2006	Egypt Infrastructure Evaluation	ME/Egypt	UNKNOWN	*	N	Pending	TBD
4/5/2006	5/7/2006	Egypt Information and Communication Technology (ICT)/Tourism Activity	ME/Egypt	\$3,000,000-\$3,800,000	*	Y	Not yet submitted	TBD

ANNEX B: KCBS List of Activities

Over the last six months KCBS achieved the following project results, which, among others, were identified in the Year 2 Work Plan:

- Collected and analyzed 80 samples of corn silage.
- Arranged for the commercial importation of 10,000 straws of high quality bull semen.
- Submitted to the Ministry of Agriculture (MAFRD) recommended standards and testing procedures for dairy products.
- Assured that 100% of eggs, both domestically commercially produced and imported, came before the MAFRD regime for testing and grading.
- Drafted the remaining regulations and policies affecting the poultry industry for MAFRD.
- Mentored 88 farmers through the signing of forward purchase contracts with processors for vegetables valued at €1.5MM, 30% of which were for export.
- Conducted 36 Task Group meetings to address issues of quality standards development, transparency, access to finance, education, tax implementation, and infrastructure development.
- Hosted the "100 Days" Private Public Dialog conference to report on the Task Group's recommendations for specific private sector initiatives and civil society institutions.
- Organized the first Finance Fair held in Kosovo to further borrower education and rational, pro-business public policy.
- Negotiated grants awarded to four targeted associations, which will prepare these associations to reduce donor support to at most 40% of total revenue next year.
- KCBS gave EU standards on cement, aggregates, reinforcing steel, and concrete to the Kosovo Standardization Agency. The EAR is now guiding this activity, disseminating the standards to the engineering community, and working on compliance issues.
- Conducted a Joint Venture (JV) Workshop for the construction industry to advise five specific groups, and others contemplating forming JVs, about issues to consider.
- Conducted a study tour in the US to demonstrate functioning models of Association Management firms.

KCBS will continue with completing the activities started in the past six months, outlined above. New activities for the next six months will include:

- Open one model farm building for demonstration to other farmers.
- Establish one operational model milk collection center to serve as an example for others.
- Get one milk processing plant employing all the correct procedures and Good Management Practices (GMPs) to be accepted as a model for demonstration to others.
- Develop a model calf rearing operation, which raises 100 pure breed dairy heifers a year.
- Double the production of Grade A milk from 47,000 liters per day in August 2005 to 90,000 liters per day by August 2006.
- Establish and begin operation of a commercial laboratory for testing dairy products.

- Establish an EU certified lamb and sheep meat production and processing operation.
- Introduce and communicate proper lambing processes at 5 model farms.
- Introduce and communicate proper pasture management program at 5 model farms.
- Develop two new fertilizer formulas, properly suited for the Kosovo conditions, and get them accepted by AKA and KODAA.
- Organize a group buying of animal feed to result in 20% cost savings.
- Establish one trial feed storage facility and one pelletizing plant to serve as models for the poultry industry.
- Establish test plots for high-bush blueberries and conduct trials.
- Operation of at least 3 vegetable growers, all of which conform to EuroGAP standards.
- Establish improved cold storage, packaging, and grading at two fruit associations.
- Install new processing equipment in at least one processing company.
- Establish at least one testing laboratory for testing of essential construction materials.
- Conduct workshop on transparent road construction procurement and technical supervision.
- Establish two new engineered wood flooring production plants selling to US markets.
- Establish one domestic fabricator of waste containers to sell to municipalities to replace imports.
- Establish two foreign investors committed to quarrying decorative stone blocks for foreign markets.
- Provide USAID with a recommendation for the role for diaspora remittances in Kosovo's development.
- Make a study tour to the EU to demonstrate functioning models of Association Management firms.
- Support and mentor the writing of Strategic Plans for three new associations.
- Complete and distribute a training manual for associations on how to evaluate training needs, estimate demand, and price courses.
- Develop and implement an industry tracking systems with at least two associations.
- Local business providers to develop private sector infrastructure programs, which address issues of advocacy and transparency.

Chemonics Monthly Progress Report
Contract No. AFP-I-00-03-00030-00
SEGIR PRIVATIZATION II IQC

ANNEX C

Chemonics
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Period of Reporting : 3/1/06-3/31/06
 Period of Contract: 9/30/03 - 9/29/08
 Ceiling: \$500,000,000

TO status	Task Order Number	TO Name	Country/Region of work	Mod Number	TO Start Date	TO End Date (planned)	Ceiling Price	Obligated Amount	Total Invoiced to Date	Balance (Total Obligated minus Total Received)	Issuing Office/CTO Name
TO status	Task Order Number	TO Name	Country/Region of work	Mod Number	TO Start Date	TO End Date (planned)	Ceiling Price	Obligated Amount	Total Invoiced to Date	Balance (Total Obligated minus Total Received)	Issuing Office/CTO Name
Ongoing	800	Cluster and Business Support (CBS)	Kosovo	1	09/30/04	09/29/08	\$ 19,641,339	\$ 8,750,000	\$ 7,206,396	\$1,543,603.59	Flora Arifi

TO status	Task Order Number	TO Name	Country/Region of work	Mod Number	TO Start Date	TO End Date (planned)	Ceiling Price	Obligated Amount	Total Invoiced to Date	Balance (Total Obligated minus Total Received)	Issuing Office/CTO Name
Ongoing	1	Streamlining Permits and Inspections Regimes Activity (SPIRA)	Bosnia	1	09/01/05	08/31/09	\$ 12,445,043	\$ 6,600,000	\$937,498.20	\$5,662,501.80	Daniel Lee